

JX 8

Document Produced in Native Format

Exhibit
Def. 136
Johnson

Kingfisher Midstream

~ 2018 Capital and Operation Expense Budget~

2018 Drilling Forecast

Drilling Assumptions

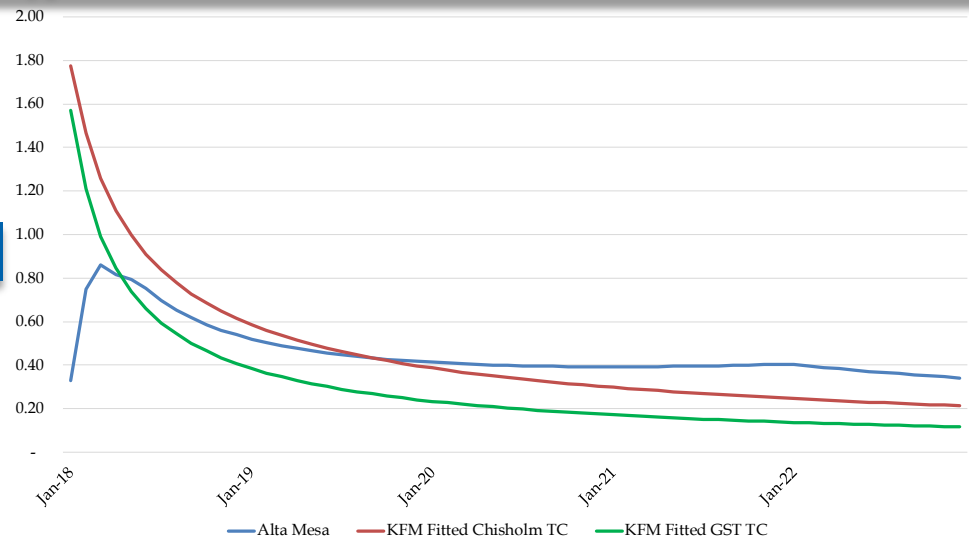
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
<u>Rigs/Month</u>												
OEA	10	10	10	10	10	10	10	10	10	10	10	10
3rd Party	4	4	4	4	4	4	4	4	4	4	4	4
Total Rigs/Month	14	14	14	14	14	14	14	14	14	14	14	14
<u>New Wells/Month</u>												
OEA (20/yr/rig)	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7
3rd Party (16.5/yr/rig)	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Total New Wells/Month	22.2	22.2	22.2	22.2	22.2	22.2	22.2	22.2	22.2	22.2	22.2	22.2
Cumulative Wells	177	199	221	243	266	288	310	332	354	376	399	421

Type Curves

Type Curve	EUR	IP30
Alta Mesa NE KF	1.99 Bcf	329 Mcf/d
KFM Fitted Chisholm	1.76 Bcf	1,777 Mcf/d
KFM Fitted GST	1.05 Bcf	1,572 Mcf/d

Additional Notes

- Alta Mesa expects to complete 200 wells in 2018
 - 140 wells will be drilled on a multi-well pad (70%)
 - 3 wells per pad
 - 60 wells will be drilled on a single well pad



2018 KFM Gas Volume Forecast (WH)

Volume Forecast¹

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
<i>Wellhead Volume (MMcf/d)</i>												
OEA	82	95	108	120	131	141	151	160	169	177	185	193
3rd Party	34	40	45	50	55	59	62	66	69	72	75	78
Total WH Vol (MMcf/d)	116	135	153	170	185	200	213	226	238	249	260	271
Plant Inlet Vol (MMcf/d)	110	128	145	161	176	189	202	214	225	236	247	257

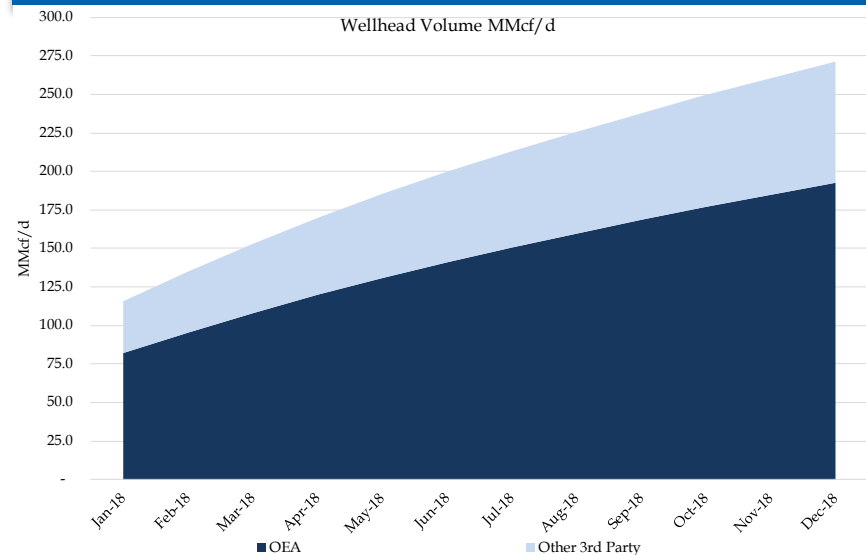
Assumptions

- Most recent customer drilling information
- All wells that are drilled will be completed
- PDP - 15% annual decline

Additional Notes

- Processing capacity at KFM is sufficient through Q32018
- Tenawa provides optionality and bridge to 2nd 200d cryo
- In line with expectation, the 2nd 200d cryo will be required in Q42018-Q12019
 - FID in Q12018

WH Volume Wedge (MMcf/d)¹



2018 KFM Capital Budget

Capital Forecast (\$000s)

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	2018
2018 Capital Request													
Amine - 200d	\$ -	\$ -	\$ -	\$ 1,714	\$ 1,714	\$ 1,714	\$ 1,714	\$ 1,714	\$ 1,714	\$ 1,714	\$ -	\$ -	\$ 12,000
Amine - 60d (Contactor Only)	\$ -	\$ -	\$ -	\$ 429	\$ 429	\$ 429	\$ 429	\$ 429	\$ 429	\$ 429	\$ -	\$ -	\$ 3,000
Well Connect Capital	\$ 4,517	\$ 4,517	\$ 4,517	\$ 4,517	\$ 4,517	\$ 4,517	\$ 4,517	\$ 4,517	\$ 4,517	\$ 4,517	\$ 4,517	\$ 4,517	\$ 54,200
Compression Capital	\$ 2,799	\$ 3,732	\$ 4,664	\$ 2,488	\$ 2,488	\$ 2,177	\$ 2,488	\$ 2,177	\$ 2,177	\$ 1,866	\$ 1,866	\$ 1,866	\$ 30,785
Crude Pipeline System	\$ 2,630	\$ 2,130	\$ 2,630	\$ 2,130	\$ 2,630	\$ 2,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,280
Plant Maintenance	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 3,500
Y-Grade I/C	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000
Contingency	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 458	\$ 5,500
Total 2018 Capital Requested	\$ 11,695	\$ 12,128	\$ 13,561	\$ 13,027	\$ 13,527	\$ 12,716	\$ 9,897	\$ 9,586	\$ 9,586	\$ 9,275	\$ 7,132	\$ 7,132	\$ 129,265
2017 Approved AFEs	\$ 8,150	\$ 8,150	\$ 8,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,450
Total Approved & Requested Capital	\$ 19,845	\$ 20,278	\$ 21,711	\$ 13,027	\$ 13,527	\$ 12,716	\$ 9,897	\$ 9,586	\$ 9,586	\$ 9,275	\$ 7,132	\$ 7,132	\$ 153,715

Capital Assumptions

- Amine/Treating
 - Purchase 550 gpm front end treating system for H2S
 - In-Service in Q42018
- Well Connects
 - Used actual costs incurred in 2017 as baseline cost
- OEA
 - Pad drilling on 70% of new wells
 - 140 total wells, 3 wells per pad, 47 pads
 - \$300K/pad
 - Remaining OEA wells will be on single well pads
 - 60 total wells, \$300K/well
- Chisholm
 - 54 total wells, \$300K/well
- Gastar
 - 12 total wells, \$500K/well
 - Cost includes much longer laterals based on acreage locations
- Compression
 - Existing compression supports 120 MMcf/d
 - Capital spending on 29 additional CAT 3516s (1,380 HP per unit)
 - All leased
- Crude Pipeline System
 - Doubling crude capacity
 - Additional Crude Pipeline Capital
 - 6x 400 bbl tanks
 - 6x pumps
 - 18 miles of 8" high pressure steel
 - 11 miles of 8" low pressure poly
 - 12 connections to tanks

2018 KFM Operating Expense Assumptions

2018 Field Operating and G&A Expenses	Field Employees	2017	2018
<ul style="list-style-type: none"> ▪ Pipeline <ul style="list-style-type: none"> ▪ Based off 2017 historical pipe line expenses, adjusted for increasing gas volumes ▪ Plant <ul style="list-style-type: none"> ▪ 60/d in service through 02/2018 ▪ 200/d in-service in 02/2018 ▪ Amine/Treating expenses occur in Q42018 ▪ Crude Storage <ul style="list-style-type: none"> ▪ Based off 2017 historical expenses adjusted for increasing crude volumes ▪ Field Compression <ul style="list-style-type: none"> ▪ Currently 120 Mcf/d of field compression available ▪ 29 compressors for gas volumes above 120 Mcf/d ▪ All leased in 2018 ▪ Variable opex for each compressor ▪ Field Level G&A <ul style="list-style-type: none"> ▪ Current Personnel at Plant <ul style="list-style-type: none"> ▪ 24 personnel working for KFM at Plant and/or Field ▪ 19 of 24 are KFM employees 	District Manager	1	1
	Plant Manager	1	1
	Plant Operator	8	8
	Field Manager	1	1
	Field Operator	1	9
	Measurement Tech	2	2
	I&E Tech	1	3
	Mechanical Tech	1	1
	Construction Manager	1	1
	PSM/DOT/EH&S Coordinator	1	1
	Administrative	1	1
	Compression Mechanic	-	4
	Measurement Manager	-	1
	Lead Plant Operator	-	1
	Utility Operator	-	1
	Maintenance Manager	-	1
	Contractor - Field	3	-
	Contractor - Mechanic	2	3
	Total Employees	24	40

2018 KFM Operating and G&A Expenses

Operating and G&A Expenses													
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	2018
<u>Field Level Taxes</u>													
Ad Valorem/Franchise	216,944	227,253	238,780	249,853	261,351	272,160	280,573	288,721	296,869	304,753	310,816	316,878	3,264,952
Total Field Level Taxes	216,944	227,253	238,780	249,853	261,351	272,160	280,573	288,721	296,869	304,753	310,816	316,878	3,264,952
<u>Pipeline Expenses</u>													
Gas	84,500	84,500	95,000	92,000	92,000	105,000	92,000	92,000	105,000	92,000	92,000	105,000	1,131,000
Crude	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,100	20,100	20,100	243,900
Residue Gas	11,050	11,050	11,550	11,050	11,050	11,550	11,050	11,050	11,550	11,050	11,050	11,550	134,600
Y Grade	10,000	10,000	11,500	10,000	10,000	11,500	10,000	10,000	11,500	10,000	10,000	11,500	126,000
Total Pipeline Expenses	125,950	125,950	138,450	133,450	133,450	148,450	133,450	133,450	148,450	133,150	133,150	148,150	1,635,500
<u>Plant Expenses</u>													
Kingfisher Midstream 60/d Gas Plant	281,398	281,398	26,160	25,450	25,450	25,450	25,450	25,450	25,450	25,450	25,450	25,450	818,005
Kingfisher Midstream 200/d Gas Plant	-	-	286,307	286,307	286,307	286,307	286,307	286,307	466,307	402,974	402,974	402,974	3,393,070
Total Plant Expenses	281,398	281,398	312,467	311,757	311,757	311,757	311,757	311,757	491,757	428,424	428,424	428,424	4,211,075
<u>Crude Storage Expenses</u>													
Kingfisher Midstream Crude Storage Facility	7,400	7,400	7,400	9,400	9,400	9,400	11,400	11,400	11,400	13,400	13,400	13,400	124,800
Total Crude Storage Expenses	7,400	7,400	7,400	9,400	9,400	9,400	11,400	11,400	11,400	13,400	13,400	13,400	124,800
<u>Field Compression Expenses</u>													
Lincoln South	31,059	31,059	31,059	31,059	31,059	31,059	31,059	31,059	31,059	31,059	31,059	31,059	372,712
Way South Helens	40,301	40,301	40,301	40,301	40,301	40,301	40,301	40,301	40,301	40,301	40,301	40,301	483,616
Great Divide	21,962	21,962	21,962	21,962	21,962	21,962	21,962	21,962	21,962	21,962	21,962	21,962	263,546
Maral	18,896	18,896	18,896	18,896	18,896	18,896	18,896	18,896	18,896	18,896	18,896	18,896	226,746
Snowden	9,673	9,673	9,673	9,673	9,673	9,673	9,673	9,673	9,673	9,673	9,673	9,673	116,073
As-Foster	49,317	49,317	49,317	49,317	49,317	49,317	49,317	49,317	49,317	49,317	49,317	49,317	591,808
East Hennesy	71,559	71,559	71,559	71,559	71,559	71,559	71,559	71,559	71,559	71,559	71,559	71,559	858,712
Coleman Bullis	49,317	49,317	49,317	49,317	49,317	49,317	49,317	49,317	49,317	49,317	49,317	49,317	591,808
North of Lincoln	27,075	27,075	27,075	27,075	27,075	27,075	27,075	27,075	27,075	27,075	27,075	27,075	324,904
Field Additional Compression	143,302	239,058	375,446	481,320	578,677	669,162	753,987	834,075	910,146	831,087	894,020	954,605	7,664,886
Total Field Compression Expenses	462,463	558,218	694,606	800,481	897,838	988,322	1,073,147	1,153,235	1,229,307	1,150,247	1,213,180	1,273,766	11,494,811
Sub Total 2018 Opex	1,094,154	1,200,219	1,391,703	1,504,941	1,613,796	1,730,089	1,810,327	1,898,563	2,177,783	2,029,974	2,098,970	2,180,618	20,731,138
Less: Electrical - Reimbursable at Plants	25,662	25,662	25,662	25,662	25,662	25,662	25,662	25,662	25,662	25,662	25,662	25,662	307,938
2018 Opex	1,068,493	1,174,558	1,366,042	1,479,279	1,588,135	1,704,428	1,784,665	1,872,902	2,152,121	2,004,313	2,073,308	2,154,956	20,423,200
<u>Field Level G&A</u>													
Field Level G&A	280,665	280,665	280,665	307,332	307,332	435,561	448,894	448,894	448,894	488,894	488,894	488,894	4,705,585
Corporate G&A	454,884	454,884	454,884	454,884	454,884	454,884	454,884	454,884	454,884	454,884	454,884	454,884	5,458,607
Opex + Field Level G&A + Corp G&A	1,804,042	1,910,107	2,101,591	2,241,495	2,350,350	2,594,873	2,688,444	2,776,680	3,055,900	2,948,091	3,017,087	3,098,734	30,587,393